

Message Text

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ACTION SP-02

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E.O. 11652: GDS

TAGS: PFOR, SGEN

SUBJECT: FY 1976 PEACE CORPS PROGRAM

FROM THE AMBASSADOR

REF: STATE 236947

SUMMARY: OUR EARLIER EFFORTS WITH THE ROKG TO OBTAIN SUPPORT FOR PC PROGRAMS HAVE RESULTED IN SIGNIFICANT CONTRIBUTIONS TO PEACE CORPS ACTIVITIES. WE UNDERSTAND THE NEED FOR INCREASED HOST COUNTRY CONTRIBUTIONS IN VIEW OF EXPECTED AGENCY BUDGETARY SHORTFALLS AND WE ARE PREPARED TO MAKE EVERY EFFORT TO ENCOURAGE INCREASED LEVELS FROM THE ROKG. END SUMMARY

1. TO ASSIST DEPT IN RESPONDING TO THE OMB, FOLLOWING ARE OUR BEST JUDGMENTS ON THE SPECIFIC QUESTIONS RAISED IN PARA FIVE A THRU E:

A. WE BELIEVE THAT THE KOREAN GOVT WILL BE WILLING TO PROVIDE INCREASED CONTRIBUTIONS TO SUPPORT ONGOING AND PROJECTED PC PROGRAMS. HOWEVER ROKG IS CURRENTLY UNDER EXTRAORDINARY BUDGETARY CONSTRAINTS RESULTING FROM THE PRESENT RECESSION AND THE EFFECTS OF THE INCREASED PETROLEUM COSTS. GROWING UNEMPLOYMENT HAS RESULTED IN THE NEED TO FINANCE EXTENSIVE PUBLIC

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WORKS PROGRAMS THROUGHOUT THE COUNTRY.

B. IT IS UNLIKELY THAT THE ROKG WILL REFUSE OUTRIGHT TO INCREASE GOVERNMENT CONTRIBUTIONS TO ONGOING AND PROJECTED PC PROGRAMS WHICH CURRENTLY AMOUNT TO APPROXIMATELY 14 PERCENT OF OVERALL PROGRAM COSTS. HOWEVER, SERIOUS BUDGETARY CONSTRAINTS INDICATED ABOVE AND THE FACT THAT THE ROKG BUDGET FOR CY75 HAS ALREADY BEEN APPROVED WOULD MAKE IT MOST DIFFICULT FOR THE ROKG TO PROVIDE ADDITIONAL FUNDS UNTIL CY 76. HOWEVER, WE BELIEVE THEY WOULD BE WILLING TO INCORPORATE SOME ADDITIONAL PC SUPPORT COSTS IN THEIR 1976 BUDGET.

C. WE BELIEVE THAT ABRUPT TERMINATION OR SIGNIFICANT DECREASE IN CURRENT PC PROGRAMS MIGHT BE MISCONSTRUED BY THE ROKG AND INTERPRETED AS A SIGN OF WANING US INTERESTS IN KOREAN DEVELOPMENT EFFORTS. POLITICAL COSTS ALONE MIGHT WELL EXCEED OUR MATERIAL SAVINGS. AT A TIME WHEN THEY FEEL THEMSELVES UNDER ATTACK IN CONGRESS AND ARE ADJUSTING TO CUTS IN OTHER PROGRAMS, IE MAP, ROK'S WOULD BE LIABLE TO INTERPRET PC CUT AS FURTHER SIGN US DISAFFECTION. MOREOVER, PC PROGRAM HAS BEEN WELL REGARDED AS EXCELLENT PEOPLE TO PEOPLE EFFORT AND KOREANS WOULD BE RELUCTANT TO SEE MANY INDIVIDUAL CONTACTS DIMINISHED.

D. THERE WOULD BE NO IMMEDIATE IMPACT ON OUR CURRENT AID PROGRAMS IF PC PROGRAMS WERE TO TERMINATE IN FY 75. HOWEVER, USAID CURRENTLY HAS UNDER CONSIDERATION A PROJECT WHICH WOULD PROVIDE LOW COST HEALTH AND FAMILY PLANNING SERVICES IN URBAN AND RURAL AREAS, AND IMPROVE THE COST EFFECTIVENESS OF MASS HEALTH CARE AND PREVENTIVE SERVICES THROUGHOUT KOREA. WE BELIEVE THAT PC VOLUNTEERS, WORKING IN COLLABORATION WITH ROKG AGENCIES AND USAID TECHNICIANS UNDER THIS PLANNED PROJECT, COULD MAKE A SIGNIFICANT CONTRIBUTION IN IMPROVING THE DELIVERY OF HEALTH SERVICES IN KOREA.

E. THE PC ENJOYS A VERY FAVORABLE RELATIONSHIP WITH THE ROKG. HOWEVER, ASSUMING IT PROVES IMPOSSIBLE TO OBTAIN REQUIRED INCREASED PROGRAM CONTRIBUTIONS FROM THE ROKG, WE WOULD PREFER TO CONTINUE PC ACTIVITIES AT A REDUCED LEVEL AND WOULD RECOMMEND RE-DIRECTION OF THE OVERALL PROGRAMS TO CONCENTRATE PROGRAM RESOURCES AS FOLLOWS:

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(1) VOCATIONAL EDUCATION: VOCATIONAL EDUCATION IS A VERY HIGH PRIORITY PROGRAM OF THE ROKG. THE IBRD/IDA HAVE PROVIDED SUBSTANTIAL FUNDS FOR VOCATIONAL TRAINING AT THE MIDDLE AND HIGH SCHOOL LEVELS. SINCE THIS BANK ASSISTANCE PROVIDES FOR EQUIPMENT PROCUREMENT ONLY, PCV'S COULD GREATLY ASSIST THE ROKG IN SETTING UP THE CURRICULA, ESTABLISHING SHOP ROUTINES, TRAINING VOCATIONAL SHOP TEACHERS, ETC., IN THE VOCATIONAL TRAINING FIELD.

(2) HEALTH: RESOURCES IN HEALTH WOULD BE REDIRECTED UNDER THE PLANNED AID PROJECT TO ACHIEVE NEW OBJECTIVES AS OUTLINED IN PARA D ABOVE.

(3) THE TESOL PROGRAM, FOR THE MOST PART, COULD BE CURTAILED. PROGRAM EFFORTS IN THIS FIELD COULD BE RESTRICTED TO THE TEACHING OF TEACHERS IN THE ENGLISH LANGUAGE IN ORDER TO BENEFIT FROM THE MULTIPLIER EFFECT OF THIS TRAINING.

2. WE BELIEVE THE CONTINUATION OF THE PC PRESENCE IN KOREA SERVES US INTERESTS AND CONTRIBUTES TO KOREAN DEVELOPMENT. WE BELIEVE THAT THE ROKG WANTS TO RETAIN PC VOLUNTEERS TO ASSIST THEM IN IMPLEMENTING PRIORITY DEVELOPMENT PROGRAMS OUTLINED ABOVE. WE ARE PREPARED TO DISCUSS INCREASED CONTRIBUTIONS TO OVERALL PC BUDGET WITH APPROPRIATE MEMBERS OF THE ROKG WHEN AUTHORIZED TO DO SO. WE BELIEVE WE CAN NEGOTIATE A REASONABLE INCREASE IN ROKG CONTRIBUTIONS TO THE PC, BUT WE MUST BEGIN THE NEGOTIATION IN TIME TO PERMIT THE ROKG TO INCORPORATE THESE COSTS IN THEIR 1976 BUDGET ESTIMATES.
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